

Introduced by Senator Vasconcellos

February 20, 2003

An act to add Chapter 12 (commencing with Section 15399.70) to Part 6.7 of Division 3 of Title 2 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

SB 527, as introduced, Vasconcellos. Economic development: task force.

Existing law requires the Secretary of Technology, Trade, and Commerce to convene the California Economic Strategy Panel, which includes specified appointed members, to provide recommendations regarding an economic development strategic plan.

This bill would establish in state government the Economic Development Accountability Task Force, with specified public and private members. The bill would require the task force to, using the statement of economic goals included in the biennial economic development strategic plan prepared by the California Economic Strategy Panel, develop outcome indicators based on standard objective econometrics, for use in the annual state budget process and in the legislative process to evaluate policies, programs, and tax expenditures intended to stimulate the economy. The bill also would require the task force to develop a standard definition of economic development and to conduct specified studies related to the economic development sections of the state budget. It would require the task force to submit a report of its findings and recommendations to the Legislature no later than one year after its first meeting.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 12 (commencing with Section 15399.70) is added to Part 6.7 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 12. ECONOMIC DEVELOPMENT
ACCOUNTABILITY TASK FORCE

15399.70. There is in state government the Economic Development Accountability Task Force, which is comprised of all of the following:

(a) All of the following or his or her designee:

(1) The Director of Finance.

(2) The Legislative Analyst.

(3) The executive officer of the Franchise Tax Board.

(4) The chairperson of the State Board of Equalization.

(5) The chairperson of the Senate Committee on Budget and Fiscal Review.

(6) The chairperson of the Senate Committee on Revenue and Taxation.

(7) The chairperson of the Assembly Committee on Budget.

(8) The chairperson of the Assembly Committee on Revenue and Taxation.

(9) The Secretary of Technology, Trade, and Commerce.

(10) The Secretary of Business, Transportation and Housing.

(11) The director of the California Research Bureau.

(12) One of the Governor's appointees to the California Economic Strategy Panel.

(b) Two representative of each of the following categories or entities, one appointed by the Speaker of the Assembly and one by the President pro Tempore of the Senate:

(1) Local economic development agencies.

(2) Small business companies.

(3) Chambers of commerce.

(4) Organizations representing large industry.

(5) Nonprofit organizations.

(c) An academic expert in economics.

(d) An academic expert in public policy.

1 15399.71. The Economic Development Accountability Task
2 Force shall do, at a minimum, all of the following:

3 (a) Using the statement of economic goals included in the
4 biennial economic development strategic plan prepared by the
5 California Economic Strategy Panel pursuant to Section
6 15363.10, develop outcome indicators based on standard objective
7 econometrics, for use in the annual state budget process and in the
8 legislative process to evaluate policies, programs, and tax
9 expenditures intended to stimulate the economy.

10 (b) Survey and evaluate efforts in other states to develop
11 accountability measures for public investments in economic
12 development.

13 (c) Develop, for use in state law, standard measurements of real
14 per capita income, job growth, new business creation, private
15 sector investment, minority entrepreneurship, and income
16 inequality.

17 (d) Develop a standard definition of economic development.

18 (e) Determine whether a return on investment calculation is
19 feasible for public investments in economic development.

20 (f) Conduct a comparative study of various methodologies for
21 preparing the economic development sections of a state budget,
22 including unified functional budget, zero-based budget, and
23 performance-based budget methodologies.

24 (g) Study the feasibility of statutory disclosure requirements on
25 specified publicly funded subsidies to private sector businesses.

26 15399.72. The Economic Development Accountability Task
27 Force shall submit a report of its findings and recommendations
28 to the Legislature no later than one year after its first meeting.

